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SUBJECT: PORTUGAL'S TAKE-AWAYS FROM THE LUSO-BRAZILIAN
SUMMIT

¶1. (U) SUMMARY. On October 28, Brazil hosted the Ninth Luso-Brazilian Summit in Salvador, Brazil. The summit is held biennially to discuss common bilateral agendas, and this year included discussions on the financial crisis, the status of the Doha Round and the signing of ten bilateral commercial agreements. Portuguese PM Socrates and Brazilian President Lula da Silva affirmed support for each other's UNSC aspirations, as well as for making Portuguese as an official UN language. END SUMMARY.

¶2. (U) At the Ninth Luso-Brazilian Summit, held this year in Brazil on October 28, both Portuguese PM Jose Socrates and Brazilian President Lula da Silva praised growth in bilateral trade and pledged to seek additional areas for cooperation. From 2005 to 2007, two-way trade between Portugal and Brazil grew by 72 percent to total 1.5 billion euros. Foreign direct investment also increased: Portuguese investment in Brazil is estimated at 6.7 billion euros and Brazilian investment in Portugal is about 790 million euros.

¶3. (U) The two leaders also signed ten bilateral commercial agreements in the areas of energy (MOUs on biofuels and other alternative sources), road construction, wine production, and telecom cooperation. Both Socrates and Lula reinforced their support for UN Security Council reform leading to a permanent Brazilian seat and support for Portugal's candidacy for a 2011-2012 rotating seat. They also committed to promote Portuguese as an official language at the UN and other institutions.

¶4. (SBU) COMMENT. Relations with the Lusophone world are a key pillar of Portuguese diplomacy, so the summits with Brazil matter here. They matter because the Lusophone community is an area where Portugal, a small player on the EU stage, can show some leadership. That the symbolism and press play were the most important take-aways for Lisbon is demonstrated by PM Socrates leading a high-level delegation for what amounts to a handful of useful, but small, commercial deals. While Brazil's economy is eight times larger and far more diverse than Portugal's, Lisbon sees itself as a key partner for Brazil and all Portuguese speaking countries, as well as those countries' interface with the EU. END COMMENT.
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